

MINUTES
State Allocation Board
June 25, 2008

Upon notice duly given, the monthly meeting of the State Allocation Board was held at the California Department of Education located at 1430 "N" Street, Room 1101, in Sacramento, California on June 25, 2008 at 4:00 p.m.

Members of the Board present were as follows:

- Anne Sheehan, Chief Deputy Director, Policy, Department of Finance, designated alternate for Michael Genest, Director, Department of Finance (DOF)
- Scott Harvey, Chief Deputy Director, Department of General Services, designated alternate for Will Bush, Director, Department of General Services
- William J. Ellerbee, Deputy Superintendent, School and District Operations Branch, California Department of Education, designated representative for Jack O'Connell, Superintendent of Public Instruction
- Rosario Girard, President and CEO, Phoenix Construction Services, Inc., appointee of Arnold Schwarzenegger, Governor of the State of California
- Senator Bob Margett
- Senator Joe Simitian
- Assembly Member Jean Fuller

Members of the Board absent were as follows:

- Senator Jack Scott
- Assembly Member Gene Mullin
- Assembly Member Kevin de León

Representatives of the State Allocation Board (SAB) were as follows:

Rob Cook, Executive Officer
Lori L. Morgan, Deputy Executive Officer

Representatives of the Department of General Services, Office of Public School Construction (OPSC), were as follows:

Rob Cook, Executive Officer
Lori L. Morgan, Deputy Executive Officer

Representative of the Department of General Services, Office of Legal Services, was as follows:

Henry D. Nanjo, Assistant Chief Counsel

With a quorum present, Anne Sheehan, Chair, called the meeting to order at 4:14 p.m.

PRIOR MINUTES

A motion was made and carried to approve the Minutes for the May 28, 2008 SAB meeting.

EXECUTIVE OFFICER'S STATEMENT

The Executive Officer informed the Board of the following:

Charter Schools Facilities Program

On May 30, 2008, an event was held at the Vaughn Next Century Learning Center in Pacoima to commemorate the largest allocation of school construction funds to California charter schools to date. The event was a success, and was attended by the Governor, the Superintendent of Public Instruction, members of the SAB, as well as many local and State officials.

Six Percent New Construction Grant Adjustment

New construction projects funded between January and May 2008 were held open until the Board made a decision on the adequacy of the new construction grant. At the May 2008 SAB meeting, the Board approved a six percent increase to the new construction grant. In the Consent calendar, there were 170 new construction projects funded between January and May 2008 that received the increase totaling \$71,464,822. Three charter school applications that converted preliminary apportionments in 2008 will be presented at a future SAB meeting following a review for financial soundness.

State Relocatable Classroom Program

All State Relocatable Classroom Program (SRCP) leases will expire on August 1, 2008 and leases will not be renewed according to the phase-out plan. Districts will need to do one of the following:

- Purchase the State relocatables, which can include a repayment plan with no interest.
- Return the State relocatables to the State in move-in condition as outlined in the Lease Agreement.
- Request either a one-year or two-year final time extension.

Staff encouraged districts to notify the OPSC as soon as possible regarding plans for State relocatables in their possession to ensure approval from the Board prior to the end of the lease. Districts can contact their project managers for more information.

Project Information Worksheet Update

The Project Information Worksheet (PIW) has been submitted to the Office of Administrative Law (OAL) and is anticipated to be approved by mid-July. All school districts and county offices of education will be notified that the PIW is forthcoming, and the PIW will be posted to the OPSC Web site once the worksheet is approved by the OAL.

CONSENT ITEMS

In considering the Consent calendar, the Chair reminded the Board and audience that in accordance with the six percent increase that was approved by the Board at the May 2008 SAB meeting, the new construction projects in the Consent Specials and in the Consent calendar that were previously held open will now be considered to have received a full and final apportionment, and the Consent Specials and Consent calendar will no longer be held open. The Board approved the Consent calendar as presented. In addition, Dr. Ellerbee abstained from voting on the Sacramento City Unified School District agenda items but voted to approve all others.

FINANCIAL REPORTS***Status of Funds***

The Deputy Executive Officer stated that the Board approved and/or authorized in excess of \$443 million, which included the Emergency Repair Program (ERP). The Board indicated that additional High Performance outreach and technical assistance should be provided to school districts so there could be additional requests for the High Performance funding. Further, the Board inquired as to whether there was an increase in the number of applications received for the ERP, and it was stated that there were over 2,200 applications on the workload list totaling in excess of \$590 million. The Board accepted the Status of Funds report as presented.

SPECIAL CONSENT ITEMS***Bass Lake Joint Union Elementary/Madera 51/65185-00-001***

This item was postponed at the request of the District.

State Relocatable Classroom Program Lease Extension Requests

In considering this item, the Board approved the staff's recommendations.

SPECIALS/APPEALS***School Facility Program Overcrowding Relief Grant***

Ms. Carol Shellenberger, representing the SAB staff, presented the School Facility Program Overcrowding Relief Grant to the Board. Mr. Bruce McDaniel, Superintendent of the Lennox School District, addressed the Board in support of the proposed amendments to the Overcrowding Relief Grant (ORG) regulations but indicated that there were additional concerns, such as timing of the regulatory process and fairness. In considering this item, the Board approved the staff's recommendations.

Los Angeles Unified/Los Angeles 50/64733-00-119, 123, 127, and 131

This item was postponed at the request of the District.

REGULATIONS***Overcrowding Relief Grant Regulations***

In considering this item, the Board approved the staff's recommendations. In addition, the Board requested staff to notify the Board if the regulations are not approved timely by the OAL and will impact the third funding cycle.

Project Information Worksheet Material Inaccuracy Regulations

In considering this item, the Board approved the staff's recommendations.

REGULATIONS (cont.)***Proposed Regulations for the Implementation of Assembly Bill 1014***

Mr. Juan Mireles and Ms. Masha Lutsuk, representing the SAB staff, presented the Proposed Regulations for the Implementation of Assembly Bill 1014 to the Board and stated for the record that additional SAB staff worked on the implementation of this issue: Ms. Lisa Yuki, Mr. Nate Gargiulo, Mr. Charles Price, Mr. Josh Rosenstein, and Mr. Adrian Felseghi. The following individuals addressed the Board concerning this issue:

- Mr. Wael Elatar, representing the San Bernardino City Unified School District;
- Mr. Lyle Smoot, representing the Los Angeles Unified School District;
- Ms. Kathleen Chavira, Consultant on the Senate Education Committee; and
- Ms. Joanne Branch, representing the San Diego County Office of Education.

There was much discussion surrounding the deletion of the word “alternate” from the legislation and there were several requests to include the ten-year projection with supplemental factors. Additionally, a clarification statement was made that the Senate Education Committee struck the word “alternate” so there would not be multiple ways of projecting enrollment; that a consistent method would be used by all school districts so that there was a defensible way of determining how all of the school districts would compete for State bond funds. Based on this discussion, a request was made to send the entire regulatory package back to another Implementation Committee meeting for further vetting. It was also noted that these proposed regulatory amendments had been discussed at six Implementation Committee meetings prior to the Board’s consideration. The Chair requested a roll-call vote and the motion, which would approve the staff’s recommendations, carried per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Margett	X			
Senator Scott				X
Senator Simitian	X			
Assembly Member Mullin				X
Assembly Member Fuller	X			
Assembly Member de León				X
Scott Harvey	X			
William Ellerbee	X			
Rosario Girard	X			
Anne Sheehan		X		
Total	6	1		3

Motion:Carried X Failed

INFORMATION/REFERENCE

SAB Meeting Dates for the Remaining Calendar Year 2008

School Facility Program Workload List - Applications Received Through June 9, 2008

Deferred Maintenance Program Unfunded List as of May 28, 2008

Emergency Repair Program – Applications Received Through June 9, 2008

Facility Hardship/Rehabilitation Approvals Without Funding List as of May 28, 2008

CLOSED SESSIONS

At 5:33 p.m. and in accordance with Section 11126(a)(1) of the Government Code, the Board convened into closed session for the purpose of discussing a matter relating to personnel.

At 5:36 p.m. and in accordance with Section 11126(e)(1) of the Government Code, the Board convened into closed session for the purpose of conferring with and receiving advice from counsel regarding *Fresno Unified School District v. SAB/DGS et al.*; Case No. 08CECG01393 DRF.

At 5:41 p.m. and in accordance with Section 11126(e)(1) of the Government Code, the Board convened into closed session for the purpose of receiving an update from counsel regarding *Val Verde Unified School District et al v. State of California et al.*; Case No. RIC 475161.

Upon conclusion of the closed sessions, the Board reconvened into open session at 5:45 p.m.

ADJOURNMENT

There being no further business to come before the Board, the Chair adjourned the meeting at 5:46 p.m.

ROB COOK, Executive Officer